

in equity, by a party against the United States, its departments, agencies, entities, instrumentalities, its officers or employees, or any other person.

(c) This order shall be implemented in a manner consistent with existing statutes, treaties, Executive Agreements, and Executive Orders affecting the operation of any of the departments, agencies, or instrumentalities of the Federal Government.

George W. Bush

NOTE: This memorandum was released by the Office of the Press Secretary on November 30.

**Letter to Congressional Leaders
Transmitting an Alternative Plan for
the Locality Pay Increase for Civilian
Federal Employees**

November 29, 2004

Dear Mr. Speaker: (Dear Mr. President:)

I am transmitting an alternative plan for the locality pay increase payable to civilian Federal employees covered by the General Schedule (GS) and certain other pay systems in January 2005.

Under title 5, United States Code, civilian Federal employees covered by the GS and certain other pay systems would receive a two-part pay increase in January 2005: (1) a 2.5 percent across-the-board increase in scheduled rates of basic pay derived from Employment Cost Index data on changes in the wages and salaries of private industry workers, and (2) a locality pay increase based on Bureau of Labor Statistics' salary surveys of non-Federal employers in each locality pay area, which would average about 10.6 percent for eligible employees. Including increases for blue-collar and other workers, the total Federal employee pay increase would cost about 11.2 percent of payroll in calendar year 2005. For Federal employees covered by the GS locality pay system, the overall average pay increase would be about 13.1 percent, far higher than the 1.5 percent total pay increase I proposed in my Fiscal Year 2005 budget.

For the reasons described below, I have determined that it is appropriate to exercise my statutory alternative plan authority to

limit the January 2005 GS locality pay increase.

A national emergency has existed since September 11, 2001, which now includes Operation Enduring Freedom (in Afghanistan) and Operation Iraqi Freedom. Full statutory civilian locality pay increases averaging 10.6 percent in 2005 would divert resources from and interfere with our Nation's ability to fight the war on terror, with respect to which a national emergency is in effect under the law. Such increases would cost about \$9.8 billion in fiscal year 2005 alone and would build in later years.

Accordingly, I have determined that—

Under the authority of section 5304a of title 5, United States Code, the locality pay percentages authorized in 2004 shall remain in effect in 2005.

Finally, the law requires that I include in this report an assessment of the impact of my decision on the Government's ability to recruit and retain well-qualified employees. This decision will not materially affect our ability to continue to attract and retain a quality Federal workforce. To the contrary, since the Congress has not funded the cost of a pay raise in excess of the 1.5 percent increase I proposed, agencies would have to absorb the additional cost and could have to freeze hiring in order to pay the higher rates. Moreover, GS quit rates are at an all-time low of 1.6 percent per year, well below the overall average quit rate in private enterprise. Should the need arise, the Government has many compensation tools, such as recruitment bonuses, retention allowances and special salary rates, to maintain the high quality workforce that serves our Nation so very well.

Sincerely,

George W. Bush

NOTE: Identical letters were sent to J. Dennis Hastert, Speaker of the House of Representatives, and Richard B. Cheney, President of the Senate. This letter was released by the Office of the Press Secretary on November 30.

**Letter to Congressional Leaders
Reporting on the Issuance of an
Executive Order Modifying the
Scope of the National Emergency
Declared in Earlier Executive
Orders Relating to Iraq**

November 29, 2004

Dear Mr. Speaker: (Dear Mr. President:)

Consistent with subsection 204(b) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(b) (IEEPA), I hereby report that I have issued an Executive Order (the "order") in which I modify the scope of the national emergency declared in Executive Order 13303 of May 22, 2003, expanded in Executive Order 13315 of August 28, 2003, and further modified in Executive Order 13350 of July 29, 2004. I have determined that an additional threat exists with respect to which the national emergency was declared and expanded in those Executive Orders. I have also determined that steps taken in Executive Order 13303 to deal with the national emergency declared therein need to be revised in light of United Nations Security Council Resolutions 1483 of May 22, 2003, and 1546 of June 8, 2004, respectively. I have enclosed a copy of the order.

In Executive Order 13303 of May 22, 2003, I found that the threat of attachment or other judicial process against the Development Fund for Iraq, Iraqi petroleum and petroleum products and interests therein, and proceeds, obligations, or any financial instruments of any nature whatsoever arising from or related to the sale or marketing thereof, and interests therein, obstructed the orderly reconstruction of Iraq, the restoration and maintenance of peace and security in the country, and the development of political, administrative, and economic institutions in Iraq. I determined that this situation constituted an unusual and extraordinary threat to the national security and foreign policy of the United States, and I declared a national emergency to deal with that threat.

Consistent with IEEPA, as amended, (50 U.S.C. 1701 *et seq.*), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), section 5 of the United Nations Participation Act, as amended (22 U.S.C. 287c) (UNPA), and section 301 of title 3, United States Code,

in Executive Order 13303 I ordered, *inter alia*, that unless licensed or otherwise authorized pursuant to that order, any attachment, judgment, decree, lien, execution, garnishment, or other judicial process is prohibited, and shall be deemed null and void, with respect to the following:

- (a) the Development Fund for Iraq, and
- (b) all Iraqi petroleum and petroleum products, and interests therein, and proceeds, obligations, or any other financial instruments of any nature whatsoever arising from or related to the sale or marketing thereof, and interests therein, in which any foreign country or a national thereof has any interest, that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of United States persons.

Consistent with United Nations Security Council Resolutions 1483 and 1546, I have determined that the steps taken in Executive Order 13303 to deal with the emergency declared therein need to be revised so that such steps do not apply with respect to any final judgment arising out of a contractual obligation entered into by the Government of Iraq, including any agency or instrumentality thereof, after June 30, 2004, and so that, with respect to Iraqi petroleum and petroleum products and interests therein, such steps shall apply only until title passes to the initial purchaser.

The new order provides that protections granted by section 1 of Executive Order 13303, as well as the protections granted by this order to the property of the Central Bank of Iraq, do not apply with respect to any final judgment arising out of a contractual obligation entered into by the Government of Iraq, including any agency or instrumentality thereof, after June 30, 2004.

In addition, the order modifies section 1 of Executive Order 13303 to provide that the protections granted therein to all Iraqi petroleum and petroleum products, and interests therein, apply only until title passes to the initial purchaser.

Furthermore, I now find that the threat of attachment or other judicial process against the assets of the Central Bank of Iraq